

Telecommunications - Taiwan

NCC launches investigation into telecoms equipment made in China

Contributed by [Shay & Partners](#)

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The National Communications Commission (NCC) has confirmed that it has sent letters to all telecommunications operators in order to compel them to submit a list of all network equipment included in past and present procurement projects which was manufactured by Chinese vendors.

It is reported that – based on the lists compiled by the NCC – the Executive Yuan, the Ministry of Economic Affairs and a national security agency will consider whether to prohibit the import of telecommunications equipment made in China due to national security considerations. At present, such import is reviewed on a case-by-case basis for special projects reported by local telecommunications operators.

The three major telecommunications players – Chunghwa Telecom, Taiwan Mobile and FarEasTone – and Asia Pacific Telecom, VIBO Telecom and WiMax Telecom have all confirmed that they have received the NCC's request. In the meantime, the NCC has suspended the import of all equipment made in China.

Asia Telecom applied to import base stations manufactured by Huawei. The first shipment of 500 base stations was approved at the beginning of 2011, but the first shipment has not yet been released. VIBO's application for ZTE's communications and network equipment has not yet been approved. Likewise, Chunghwa Telecom's application for certain client network equipment, Taiwan Mobile's application for fixed network equipment and FarEasTone's application for 3.5G base stations have not yet been approved by the NCC.

The NCC has reportedly requested the inclusion of around 10 classes of core network equipment, including switches, converters and optical line terminals. Telecommunications operators are required to specify the quantity of procurement and the suppliers according to the itemised list.

Since the list requires China-branded manufacturers such as Huawei, ZTE, and Datang to be reported, and does not include telecommunications equipment manufactured by European and US manufacturers such as Ericsson, Nokia-Siemens and Alcatel-Lucent, this move has been widely interpreted by local operators as a sign that Taiwan is now restricting the procurement of telecommunications equipment made in China for core networks.

According to the NCC, telecommunications operators have been notified to check the import sources of telecommunications equipment to ascertain the upgrade progress of telecommunications equipment in order to provide information about disaster prevention mobilisation and redundancy preparedness. The relevant authorities are also seeking to take this opportunity to address national security concerns arising from core network equipment procured by telecommunications operators in Taiwan.

Local press revealed in May that due to national security considerations, the Executive Yuan is planning to move core telecommunications network equipment made in China with potential national security implications from the list of unrestricted imports to a control list. Hitherto, the NCC has withheld approval for applications for equipment made in China.

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